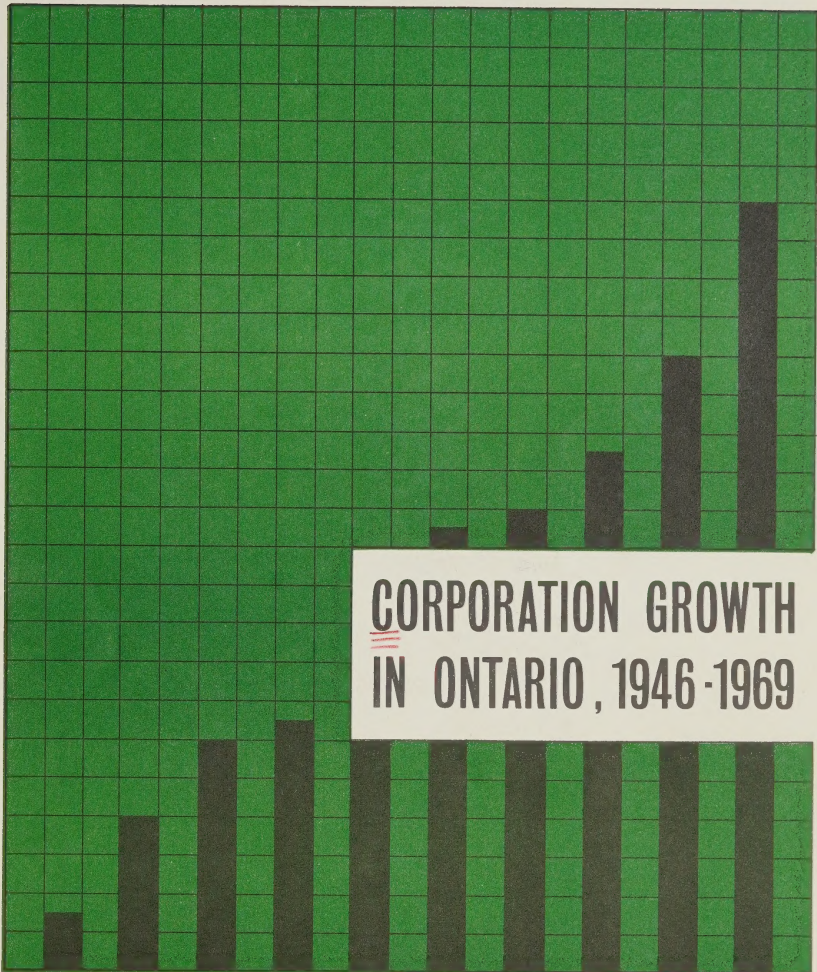


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CORPORATION GROWTH IN ONTARIO, 1946-1969



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PREFACE

This is the first statistical report on corporations in Ontario published by the Ontario Statistical Centre. The report may be expanded in the future if there is substantial demand for additional information.

The Ontario Statistical Centre wishes to express its appreciation to the Department of Financial and Commercial Affairs for their co-operation and participation in this project.

It is especially grateful to Mr. J.K. Young, Director, Mr. H.H. Ozolins, Executive Officer and the staff of the Companies Branch for their kind and unreserved assistance.

The report was prepared by Mr. N. Ferik, Economist, and other staff members of the Sample Design and Statistical Standards Section under the direction of Mr. G.Z. Szabo, Chief.

K. Cheng,
Director,
Ontario Statistical Centre.

July 1, 1970.

INTRODUCTION

This report provides information on the growth of corporations in Ontario, their composition by type and by year, formation of new corporations and incorporations by jurisdiction. The statistics on corporations were compiled from the administrative records of the Companies Branch, Department of Financial and Commercial Affairs.

In preparing the report some problems in concepts and definitions were encountered, particularly in the definitions of the various types of corporations. Thus, in some cases, figures had to be adjusted.

The corporate annual returns yield valuable information on corporations in Ontario. It is hoped that future reports will include additional statistics on Ontario corporations.

DEFINITIONS

A corporation is created by its charter which is granted either by provincial or federal authority. A charter is issued to any number of persons, not fewer than three, of twenty-one or more years of age, who become shareholders or members of the corporation. The charter sets forth the objects of the corporation, the amount of capital it is authorized to issue, and certain provisions for the regulation and conduct of the affairs of the corporation.

There are several types of corporations. The main distinction is between corporations with share or without share capital.

In this report, the following definitions will apply:

COMPANY: An Ontario corporation with share capital, other than those listed below.

CORPORATION: An Ontario corporation without share capital, other than those listed below.

CREDIT UNION: An Ontario corporation incorporated under the Credit Unions Act.

INSURANCE COMPANY: An Ontario corporation incorporated for the purpose of underwriting insurance of any type under the Insurance Act. Insurance Agents, Brokers or Adjusters are excluded.

MINING COMPANY: An Ontario corporation subject to Part IV of The Corporations Act or the predecessor thereof (Part XI of The Companies Act).

SOCIAL CLUB COMPANY: An Ontario corporation with share capital, having social objects.

SOCIAL CLUB CORPORATION: An Ontario corporation without share capital, having social objects. Service clubs are excluded.

CO-OPERATIVE WITHOUT SHARE CAPITAL: An Ontario co-operative corporation without share capital.

CO-OPERATIVE WITH SHARE CAPITAL: An Ontario co-operative corporation with share capital.

COMPANY WITH AN EXTRA-PROVINCIAL LICENCE: A corporation incorporated outside the Province of Ontario which has an Ontario Licence to carry on any of its business in Ontario. Excluded are Quebec and federally incorporated corporations which do not require extra-provincial licences.

CORPORATION HOLDING LICENCE IN MORTMAIN: A corporation with or without share capital, incorporated outside Ontario which holds licence in Mortmain. Licence in Mortmain empowers a foreign corporation to hold land in Ontario. This includes federally incorporated corporations but excludes corporations incorporated in Quebec on a basis of the reciprocal agreement between the Province of Ontario and Quebec.

PRIVATE LOAN COMPANY: An Ontario private loan corporation with limited objects - with power to lend and invest money on mortgage of real estate or otherwise, subject to section 3 of the Corporation Act.

MINING SYNDICATE: An Ontario mining corporation whose existence is limited to three years.

OTHERS: Composed mainly of unlicensed Federal and Quebec corporations with and without share capital, etc.

PRIVATE COMPANY: An Ontario company as to which by its special Act, letters patent or supplementary letters patent;

- (i) the right to transfer its shares is restricted,
- (ii) the number of its shareholders, exclusive of persons who are in the employment of the company, is limited to fifty, two or more persons holding one or more shares jointly being counted as a single shareholder, and
- (iii) any invitation to the public to subscribe for its shares or securities is prohibited.

PUBLIC COMPANY: An Ontario company that is not a private company.

STATISTICAL HIGHLIGHTS

The influence of corporations upon the economy of the Province of Ontario is profound. They provide business, goods and services, and employment. Although there is a larger number of sole proprietors and partners engaged in various economic activities in the Province, the volume of business conducted by corporations is by far greater.

Economic progress in Ontario can therefore be highlighted by the growth in the number of corporations in the Province. The increase in the number of corporations has been tremendous during the last two decades. Table 1 shows the steady increase in the number of active corporations from 1946 to 1969. There were 6 times as many corporations in 1969 as in 1946. In 1969, the number of active corporations in Ontario reached over one hundred thousand. A comparison in the number of active corporations in Ontario every five years since 1946 shows that the growth was greatest between 1956 and 1961 (See Table 2).

Corporations have been increasing at about 3 times the rate of growth of Ontario's population and employment. From 1951 to 1956, corporations increased by 46 per cent while population and employment grew only by 18 per cent and 14 per cent respectively. The average annual rate of increase of corporations from 1956 to 1968 was 8.3 per cent compared to 2.5 per cent average annual rate of change for population and employment (See Table 3).

In 1969, there were 94 thousand corporations incorporated in Ontario or 89 per cent of the total number of active corporations in the Province. The remaining 11 per cent were incorporated outside the Province and were comprised of companies

with extra-provincial licence, corporations holding licence in mortmain and corporations which are not required to hold licence in Ontario.

Companies (corporations with share capital) constituted 79 per cent of the 105 thousand active corporations in 1969 while corporations without share capital represented only about 5 per cent of the total active corporations. The per cent distribution of corporations by type was essentially the same for 1967, 1968 and 1969. The per cent change in the number of active corporations by type from 1967 to 1969 is shown in Table 5. The total number of active corporations increased by 5.4 per cent from 1967 to 1968 and by 6.9 per cent from 1968 to 1969. Among all types of active corporations, private loan companies showed the greatest increase between 1967 and 1968 and the growth of corporations with share capital was the largest between 1968 and 1969.

From 1967 to 1969, private companies constituted more than 90 per cent of the total companies incorporated in Ontario. As private companies have been increasing at a faster rate than public companies, their proportion to the total number of companies incorporated in Ontario has, therefore, been increasing each year since 1967.

Table 7 shows the yearly increase in the number of new corporations established in the Province from 1950 to 1969. There were only 4 years where the birth of new corporations showed a decline. The greatest decline was in 1958 where only 4,708 corporations were established, a decrease of 16 per cent from the previous year. In the following year, 6,241 corporations were formed, an increase of 1,533 corporations or a 33 per cent increase from 1958. The greatest increase, however, was in the year 1954 when the number of new corporations formed was 64% higher than in 1953.

The growth of corporations is directly related to the births and deaths of corporations. Unfortunately, there were gaps in the information on corporations that become inactive each year in the Province. Accordingly, information on new corporations was used to estimate the number of active corporations in Table 1, where necessary.

In 1969, 89 per cent of the total number of Ontario's corporations were incorporated in the Province. Of the remaining 11 per cent which were incorporated outside Ontario, 9 per cent had federal licences and 2 per cent were incorporated in other provinces and outside Canada. A detailed breakdown of incorporation by jurisdiction is shown in Table 9. In 1969, there were 720 active corporations in Ontario which were incorporated in the United States, 53 in Great Britain and 32 in the Bahama Islands.

GROWTH OF CORPORATIONS IN ONTARIO, 1946-1969



TABLE 1

PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS
BY YEAR, ONTARIO, 1946-1969

YEAR	NUMBER	PER CENT CHANGE
	<u>000's</u>	<u>%</u>
1946	18	-
1951	26	44.4
1956	38	46.2
1957	43	13.2
1958	47	9.3
1959	53	12.8
1960	59	11.3
1961	63	6.8
1962	67	6.3
1963	72	7.5
1964	76	5.6
1965	81	6.6
1966	87	7.4
1967	93	6.9
1968	98	5.4
1969	105	7.1

TABLE 2

PER CENT CHANGE IN THE NUMBER OF CORPORATIONS BY FIVE
YEAR PERIOD, ONTARIO, 1946-1969

YEAR	NUMBER	PER CENT CHANGE
	<u>000's</u>	<u>%</u>
1946	18	-
1951	26	44.4
1956	38	46.2
1961	63	65.8
1966	87	38.1
1969	105	20.7

TABLE 3

GROWTH IN POPULATION, EMPLOYMENT & CORPORATIONS, ONTARIO, 1946-1968

YEAR	POPULATION(1)		EMPLOYMENT(2)		CORPORATIONS	
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
	000's	%	000's	%	000's	%
1946	4,093	-	N.A.	-	18	-
1951	4,598	12.3	1,838	-	26	44.4
1956	5,405	17.6	2,096	14.0	38	46.2
1957	5,636	4.3	2,161	3.1	43	13.2
1958	5,821	3.3	2,142	- 0.9	47	9.3
1959	5,969	2.5	2,198	2.6	53	12.8
1960	6,111	2.4	2,249	2.3	59	11.3
1961	6,236	2.0	2,269	0.9	63	6.8
1962	6,351	1.8	2,317	2.1	67	6.3
1963	6,481	2.0	2,382	2.8	72	7.5
1964	6,631	2.3	2,473	3.8	76	5.6
1965	6,788	2.4	2,548	3.0	81	6.6
1966	6,961	2.5	2,650	4.0	87	7.4
1967	7,149	2.7	2,745	3.6	93	6.9
1968	7,306	2.1	2,829	3.1	98	5.4

(1) Source: Ontario Economic Review Nov/Dec 1969, Volume 7, Number 6, Table 8.

(2) Source: Ontario Statistical Review 1968, Page 14.

TABLE 4

PER CENT DISTRIBUTION OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, 1967-1969

TYPE	1967		1968		1969	
	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION
<u>Incorporated in Ontario</u>		%		%		%
Companies	72,280	77.3	76,760	78.0	83,109	78.9
Corporations	4,443	4.8	4,650	4.7	4,828	4.6
Credit Unions	1,664	1.8	1,657	1.7	1,642	1.6
Insurance Companies	107	0.1	116	0.1	118	0.1
Mining Companies	1,605	1.7	1,563	1.6	1,507	1.4
Social Club Companies	316	0.3	314	0.3	306	0.3
Social Club Corporations	1,762	1.9	1,840	1.9	1,825	1.7
Co-Operatives without Share Capital	246	0.3	239	0.2	236	0.2
Co-Operatives with Share Capital	135	0.1	133	0.1	133	0.1
Private Loan Companies	424	0.5	460	0.5	457	0.4
Mining Syndicates	-	-	-	-	10	-
TOTAL	82,982	88.8	87,732	89.1	94,171	89.4
<u>Incorporated outside Ontario</u>						
Companies with an Extra-Provincial Licence	1,444	1.5	1,464	1.5	1,473	1.4
Corporations holding Licence in Mortmain	2,602	2.8	2,648	2.7	2,704	2.6
Others	6,421	6.9	6,619	6.7	6,943	6.6
TOTAL	10,467	11.2	10,731	10.9	11,120	10.6
GRAND TOTAL	93,449	100.0	98,463	100.0	105,291	100.0

TABLE 5

PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, 1967-1969

TYPE	1967		1968		1969	
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
<u>Incorporated in Ontario</u>		%		%		%
Companies	72,280	*	76,760	6.2	83,109	8.3
Corporations	4,443	*	4,650	4.7	4,828	3.8
Credit Unions	1,664	*	1,657	-0.4	1,642	-0.9
Insurance Companies	107	*	116	8.4	118	1.7
Mining Companies	1,605	*	1,563	-2.6	1,507	-3.6
Social Club Companies	316	*	314	-0.6	306	-2.5
Social Club Corporations	1,762	*	1,840	4.4	1,825	-0.8
Co-Operatives without Share Capital	246	*	239	-2.8	236	-1.3
Co-Operatives with Share Capital	135	*	133	-1.5	133	-
Private Loan Companies	424	*	460	8.5	457	-0.7
Mining Syndicates	-	*	-	-	10	-
TOTAL	82,982	*	87,732	5.7	94,171	7.3
<u>Incorporated outside Ontario</u>						
Companies with an Extra-Provincial Licence	1,444	*	1,464	1.4	1,473	0.6
Corporations holding Licence in Mortmain	2,602	*	2,648	1.8	2,704	2.1
Others	6,421	*	6,619	3.1	6,943	4.9
TOTAL	10,467	*	10,731	2.5	11,120	3.6
GRAND TOTAL	93,449	*	98,463	5.4	105,291	6.9

*1966 figures not available

TABLE 6

ACTIVE PUBLIC & PRIVATE COMPANIES INCORPORATED IN ONTARIO (1), ONTARIO, 1967-1969

TYPE	1967			1968			1969		
	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE
Public	6,095	$\frac{\%}{8.2}$	$\frac{\%}{*}$	5,912	$\frac{\%}{7.5}$	$\frac{\%}{-3.0}$	5,842	$\frac{\%}{6.8}$	$\frac{\%}{-1.2}$
Private	68,596	91.8	*	73,247	92.5	6.8	79,613	93.2	8.7
TOTAL	74,691	100.0	*	79,159	100.0	6.0	85,455	100.0	8.0

(1) Corporations with share capital only

* 1966 figures not available

TABLE 7

NEW CORPORATIONS, ONTARIO, 1950-1969

YEAR	CORPORATIONS INCORPORATED IN ONTARIO		CORPORATIONS INCORPORATED OUTSIDE ONTARIO				TOTAL	
			CORPORATIONS HOLDING LICENCE IN MORTMAIN		COMPANIES WITH AN EXTRA PROVINCIAL LICENCE			
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
		<u>%</u>		<u>%</u>		<u>%</u>		<u>%</u>
1950	2,051	-	144	-	63	-	2,258	-
1951	1,779	-13.3	146	1.4	62	- 1.6	1,987	-12.0
1952	1,772	- 0.4	164	12.3	69	11.3	2,005	0.9
1953	2,113	19.2	149	- 9.1	99	43.5	2,361	17.8
1954	3,613	71.0	181	21.5	86	-13.1	3,880	64.3
1955	3,811	5.5	249	37.6	110	27.9	4,170	7.5
1956	4,788	25.6	222	-10.8	149	35.5	5,159	23.7
1957	5,219	9.0	232	4.5	128	-14.1	5,579	8.1
1958	4,368	-16.3	203	-12.5	137	7.0	4,708	-15.6
1959	5,916	35.4	175	-13.8	150	9.5	6,241	32.6
1960	6,417	8.5	238	36.0	160	6.7	6,815	9.2
1961	5,736	-10.6	198	-16.8	166	3.8	6,100	-10.5
1962	6,019	4.9	206	4.0	141	-15.1	6,366	4.4
1963	5,903	- 1.9	199	- 3.4	171	21.3	6,273	- 1.5
1964	6,229	5.5	204	2.5	172	0.6	6,605	5.3
1965	7,276	16.8	223	9.3	177	2.9	7,676	16.2
1966	7,309	0.5	244	9.4	193	9.0	7,746	0.9
1967	7,425	1.6	217	-11.1	173	-10.4	7,815	0.9
1968	7,699	3.7	202	- 6.9	185	6.9	8,086	3.5
1969	9,593	24.6	249	23.3	212	14.6	10,054	24.3

Note: Figures for corporations which are not holding licence in Ontario are not available.

TABLE 8

ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED
PER CENT DISTRIBUTION AND PER CENT CHANGE, ONTARIO, 1967-1969

JURISDICTION	1967			1968			1969		
	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE
Canada	8,174	9.1	%	8,329	8.7	%	8,428	8.6	%
Ontario	80,003	88.7	*	84,685	88.9	1.9	87,617	89.1	1.2
Quebec	646	0.7	*	682	0.7	5.9	690	0.7	3.5
British Columbia	183	0.2	*	198	0.2	5.6			1.2
Alberta	152	0.2	*	169	0.2	8.2	211	0.2	6.6
Manitoba	234	0.3	*	252	0.3	11.2	177	0.2	4.7
Delaware	162	0.2	*	176	0.2	7.7	246	0.3	-2.4
Illinois	48	0.1	*	49	0.1	8.6	181	0.2	2.8
Michigan	54	0.1	*	53	0.1	2.1	50	0.1	2.0
New York	117	0.1	*	114	0.1	- 1.9	53	0.1	-
Ohio	64	0.1	*	64	0.1	- 2.6	119	0.1	4.4
Great Britain	7	-	*			-	63	0.1	-1.6
Others	398	0.4	*	55	0.1	685.7	53	0.1	-3.6
			*	425	0.4	6.8	425	0.4	-
TOTAL	90,242	100.0	*	95,251	100.0	5.6	98,313	100.0	3.2

(1) Only Jurisdictions with more than 45 corporations are listed

* 1966 figures not available

TABLE 9

NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION
UNDER WHICH INCORPORATED, ONTARIO, 1967-1969

JURISDICTION	1967	1968	1969
Canada	8,174	8,329	8,428
Ontario	80,003	84,685	87,617
Quebec	646	682	690
British Columbia	183	198	211
Newfoundland	6	6	6
Nova Scotia	24	25	28
New Brunswick	16	18	23
Alberta	152	169	177
Manitoba	234	252	246
Saskatchewan	34	34	33
N.W. Territories	2	2	1
Prince Edward Is.	1	1	1
CANADA TOTAL	<u>89,475</u>	<u>94,401</u>	<u>97,461</u>
Alabama	1	1	1
Arizona	2	2	2
Arkansas	1	1	1
California	31	31	32
Colorado	3	2	3
Connecticut	5	6	6
Delaware	162	176	181
Florida	7	8	10
Georgia	3	4	2
Illinois	48	49	50
Indiana	7	7	7
Iowa	9	11	11
Kansas	2	2	2
Kentucky	2	2	2
Louisiana	1	1	1
Maine	4	4	4
Maryland	6	7	7
Massachusetts	11	11	10
Michigan	54	53	53
Minnesota	18	18	15
Missouri	18	19	17
Nebraska	2	2	2
Nevada	6	7	9
New Jersey	20	19	18
New York	117	114	119
North Dakota	2	2	2

TABLE 9 Cont'd Number of Active Corporations⁽¹⁾ by Jurisdiction
Under Which Incorporated, Ontario, 1967-1969

JURISDICTION	1967	1968	1969
Ohio	64	64	63
Oklahoma	3	2	2
Pennsylvania	35	39	37
Rhode Island	2	1	2
Tennessee	4	3	3
Texas	11	12	12
Utah	1	1	1
Vermont	1	1	1
Virginia	3	3	3
Washington	4	4	3
West Virginia	2	2	3
Wisconsin	20	21	20
Wyoming	1	1	1
District of Columbia	1	2	2
UNITED STATES TOTAL	<u>694</u>	<u>715</u>	<u>720</u>
Great Britain	7	55	53
Ireland	1	1	1
France	2	2	2
Spain	1	1	1
Germany	2	6	6
Italy	1	2	2
Holland	-	4	3
Belgium	1	1	1
Switzerland	5	6	6
Liechtenstein	5	5	6
Sweden	1	1	1
Norway			
Denmark	1	1	1
Liberia	2	1	1
Japan	1	1	1
New South Wales	1	1	1
Panama	10	9	8
Mexico	1	1	1
Bahama Islands	27	33	32
Jamaica	-	-	1
Bermuda	4	4	4
GRAND TOTAL	90,242	95,251	98,313

(1) Corporations which are required to submit annual returns under the Corporations Information Act. Corporations which are exempt from filing a return under Section 3 of the Act are excluded.

